Insurance Coverage and Health Care Access for Immigrant Families

Testimony Before the Senate Finance Committee

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Chairman Grassley, Senator Baucus and members of the Finance Committee, thank you for the opportunity to testify about the health insurance coverage of immigrants. My name is Leighton Ku and I am a Senior Fellow in Health Policy at the Center on Budget and Policy Priorities.

About half of people living in immigrant families, including both legal immigrants and their U.S.-born children, are uninsured and, as a consequence, have major problems obtaining access to health care services. In recent years, insurance coverage for low-income immigrant families has deteriorated, in large measure due to the 1996 welfare reform law which prohibited recently-admitted legal immigrants – those entering after August 1996 – from being covered by Medicaid or the State Children's Health Insurance Program (SCHIP).

Immigrants are an important and growing segment of the American tapestry. About one-tenth of our population is foreign-born, and each year about 700,000 immigrants are admitted for legal residence in the United States, arriving from Latin America, Asia, Eastern Europe and all other points on the compass. While immigrants traditionally lived in states like California, New York, Texas and Florida, migration patterns are changing. Today, high immigrant growth areas include North Carolina, Nevada, Kansas, Indiana, Minnesota, Virginia, Arizona and Utah. All across the nation, immigrants are a vital part of America's workforce, paying taxes and meeting

other civic responsibilities.

Immigrants work hard and have low unemployment rates. Recent Census data show that the foreign-born have a 4.9 percent unemployment rate, very close to the 4.3 percent rate for native citizens.[1] But immigrants are disproportionately poor and uninsured because they tend to be employed in low-wage, low-benefit jobs. In light of this employment profile, noncitizen immigrants are much less likely be offered private job-based insurance by their employers than native citizen workers, which is a major cause of the insurance coverage gap that exists for immigrant families. While the recent economic boom increased job-based insurance coverage for native citizens in 1999, there was almost no improvement in private insurance coverage for immigrants.[2]

Immigrants are particularly vulnerable in the first several years after arrival in the United States, while they are still trying to get established and to master the skills needed to live and prosper here. After being here for a longer time and becoming naturalized citizens, immigrants come much closer to parity with native citizens, in terms of both income and insurance coverage.

Before 1996, immigrants who were legally admitted to the United States could participate in Medicaid on the same terms as citizens. However, the welfare reform law changed policies, so that most legally-admitted immigrants who arrived after the law was enacted are barred from getting Medicaid during their first five years in the country. Moreover, other provisions of that law and another immigration law passed that year will keep most immigrants from becoming

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[1]Census Bureau, *The Foreign-Born Population in the United States: March 2000*, Jan. 2001.

[2]E. Richard Brown, Ninez Ponce, and Thomas Rice, *The State of Health Insurance in California: Recent Trends and Future Prospects*, UCLA Center for Health Policy Reseach, Mar. 2001.

eligible, even after the first five years has passed. During this time period, other policies led many immigrants to believe that joining government programs might endanger their legal status or to think that all immigrants were ineligible for benefits.

Data from Los Angeles County showed that immediately after the welfare reform law was enacted the number of legal immigrants and of their citizen children enrolled in Medicaid fell sharply.[3] National data show that the number of noncitizen parents and children receiving Medicaid has fallen since 1996. Moreover, the percentage of low-income noncitizen parents and citizen children in immigrant families who lack insurance has climbed. In 1999, the most recent year for which data are available, more than half (55 percent) of all low-income noncitizen parents and almost half (46 percent) of low-income noncitizen children were uninsured.[4] The uninsurance rates for low-income noncitizen immigrants are about twice as high as for low-income native citizens.[5]

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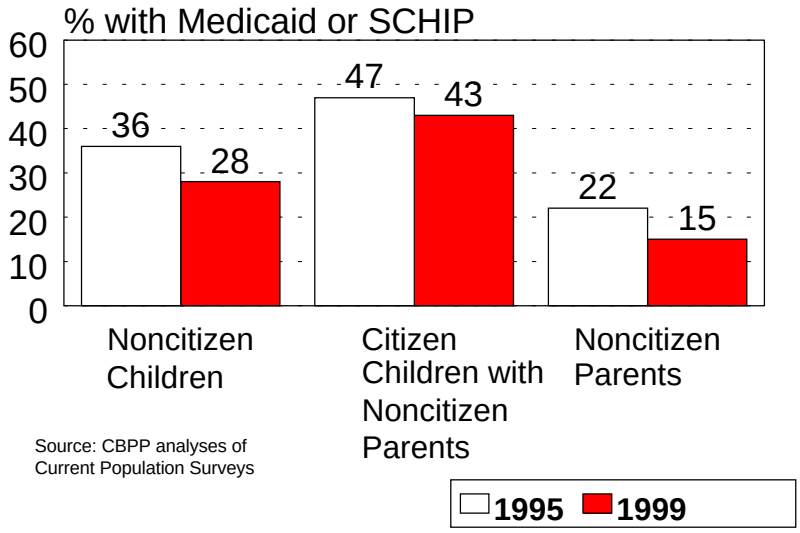
[3]Wendy Zimmermann and Michael Fix , *Declining Immigrant Applications for Medi-Cal and Welfare Benefits in Los Angeles County,* Urban Institute, July 1998.

[4]Low-income is defined as having family income that is less than 200 percent of the poverty level.

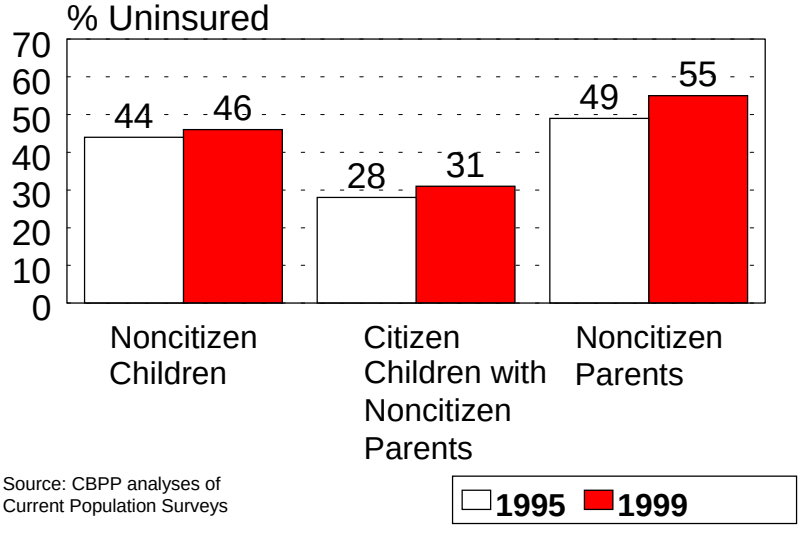
[5]Leighton Ku and Shannon Blaney, *Health Coverage for Legal Immigrant Children: New Census Data Highlight Importance of Restoring Medicaid and SCHIP Coverage*, Center on Budget and Policy Priorities, Oct. 10, 2000.

Medicaid Coverage Fell in Low-Income Immigrant Families



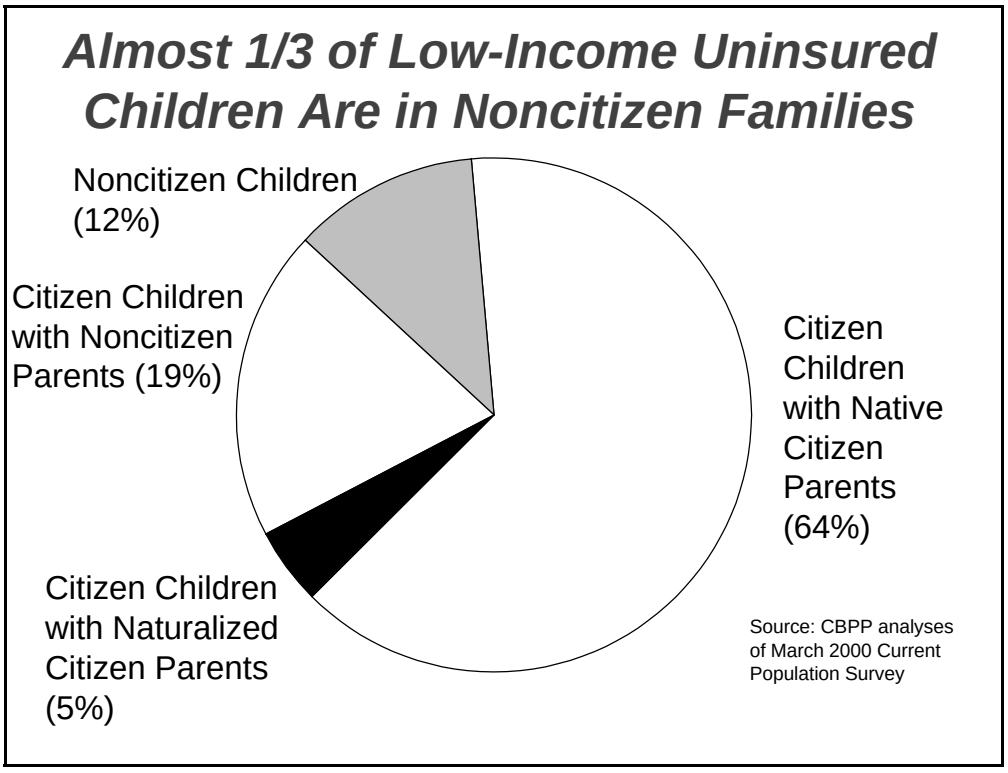
Source: CBPP analyses of Current Population Surveys

Uninsurance Grew Among Low-Income Immigrant Families



Source: CBPP analyses of Current Population Surveys

These problems affect not only immigrants – the intended policy target – but also affect immigrants' U.S.-born children, who are therefore native-born citizens. Census data indicate that about one-third (31 percent) of all the low-income, uninsured children are members of noncitizen immigrant families: 12 percent are foreign-born children, while 19 percent are U.S.-born children whose parents are noncitizen immigrants. That is, a major share of all uninsured children live in immigrant families.



Because they lack health insurance, immigrants and their children are much less likely to to see a doctor, to get dental care and even to receive care from emergency rooms. Research has shown that, when they are insured, immigrants have much better access to medical and dental

care than when they are uninsured.[6] However, even insured immigrants have problems getting health care. Language problems create additional healthcare access barriers for many Hispanic, Asian and other immigrants. Even when they see a doctor, language differences can create risks for medical errors because the doctors and patients cannot understand each other.

Federal policy changes not only affected immigrants, but caused repercussions for state and local governments and for health care providers. Thirteen states (California, Delaware, Hawaii, Illinois, Maine, Maryland, Massachusetts, Minnesota, New Jersey, Pennsylvania, Rhode Island, Virginia and Washington) use state funds to serve noncitizen children under their Medicaid programs and four more states (Connecticut, Florida, New York, Texas) use state funds to cover immigrant children in their SCHIP programs.[7] As noted by the National Governors Association, the elimination of federal Medicaid coverage for immigrants has meant that state governments must shoulder more of the costs of care.[8] In addition, uninsured immigrants often turn to public hospitals and clinics for health care, so that county and local governments must assume higher uncompensated care burdens.

I would like to take a moment to dispel a popular myth about immigrants and health insurance. Some have argued that the United States should not provide public benefits to legal immigrants because this just serves as a "magnet" for poor immigrants. On the contrary, research has consistently shown that immigrants are not drawn here for benefits, but because they want

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[6]Leighton Ku and Sheetal Matani, "Left Out: Immigrants' Access to Health Care and Insurance," *Health Affairs*, 20(1):247-56, Jan./Feb. 2001.

[7]Immigrant children receiving state-funded assistance in these states would be reported as being on Medicaid in the Census data.

[8]National Governors Association, *HR-2. Immigration and Refugee Policy,* Section 2.3.2, Revised policy position approved at the Winter 2001 meeting.

better jobs, want to be reunited with family members or need to flee persecution in their home countries. Over the past decade, immigrants have been shifting away from high-benefit states like California or New York toward low-benefit states like North Carolina or Virginia, underscoring the irrelevance of the "welfare magnet" hypothesis.[9]

Before closing, I would like to tell you about the Dominguez family of Phoenix, Arizona.[10] This low-income, working family was legally admitted to the United States two years ago, after waiting for almost 20 years for an entry permit. Their two-year old daughter, Athalia, was born with a heart defect, and the family has struggled to meet her needs, incurring huge medical bills. While a local charity program now helps provide cardiology care for her, the family has no easy way to pay for basic medical needs, such as taking care of infections. Last year, Mrs. Dominguez experienced a miscarriage and had problems getting emergency medical care when she was hemorrhaging. She continues to suffer gynecological problems, but cannot afford to see the doctor. Were it not for the fact that the Dominguezes immigrated here after August 1996, Mrs. Dominguez and her little girl would be eligible for Medicaid and SCHIP and could receive adequate and timely medical care.

How can we address the insurance needs of families like this one? One important proposal was advanced last year by a bipartisan group of legislators, including Senators Graham,

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[9]Another "myth" is that recent immigrants are responsible for most of the increase in number of uninsured people that occurred in the late 1990s, as claimed by the Center for Immigration Studies. A new analysis of the data refutes this and finds that increased uninsurance among native and naturalized citizens was the main reason that the number of uninsured people increased so much. (John Holahan, Leighton Ku and Mary Pohl, *Is Immigration Responsible for the Growth in the Number of Uninsured People?* Kaiser Commission on Medicaid and the Uninsured, forthcoming, March 2001.)

[10]I would like to thank Marcella Urrutia of the National Council of La Raza for sharing information about the Dominguez family.

Chafee, Jeffords and Rockefeller and Congressmen Diaz-Balart and Waxman, who co-sponsored a bill to let states have the option to restore Medicaid and SCHIP eligibility for legal immigrants who are children or pregnant women. This bill was also supported by a number of governors, including Governors Jeb Bush and Paul Celluci and then-Governor Christine Todd Whitman.

Broader efforts to help improve insurance coverage among low-income Americans could also help improve immigrants' access to health care. As Congress and the Administration consider ways to help lower the number of uninsured people in America, I hope that you will keep the needs of immigrant families, like Marisela and Athalia Dominguez, at the forefront of the policy agenda.